



Cinergy/ULH&P
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

August 10, 2005

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED
AUG 10 2005
PUBLIC SERVICE
COMMISSION

Case 2005-00329

Dear Ms. O'Donnell:

Enclosed for filing are an original and four (4) conformed copies of The Union Light, Heat and Power Company's (Union Light) "Monthly Report of Gas Cost Calculations and Tariff Schedules," for the month commencing with the September 2005 revenue month in accordance with KPSC order dated November 6, 2003 in Case No. 2003-00386. This filing is based on supplier tariff rates expected to be in effect on August 30, 2005 and the NYMEX on August 8, 2005 for the month of September 2005.

The above described schedules and GCA are effective with the final meter readings of District 1, September 2005, revenue month (i.e., final meter readings on and after August 30, 2005).

Union Light's proposed GCA is \$9.345 per Mcf. This rate represents an increase of \$0.834 per Mcf from the rate currently in effect for August 2005.

Please stamp "FILED" on the additional enclosed copy and return for our file. Thank you.

Very truly yours,

Robert P. Butts, Jr.

RPB:ga

Enclosure

**THE UNION LIGHT, HEAT AND POWER COMPANY
GAS COST ADJUSTMENT CLAUSE**

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM AUGUST 30, 2005 THROUGH SEPTEMBER 28, 2005

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	9.339
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.006)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.033)
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>0.045</u>
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>9.345</u>

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	9.339

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	(0.004)
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.002)
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	<u>0.000</u>
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.006)

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	(0.420)
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.070
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.362
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>(0.045)</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.033)

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	0.010
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.052
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.004)
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	<u>(0.013)</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	0.045

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED APRIL 16, 1982.

DATE FILED: August 10, 2005

BY: JOHN P. STEFFEN

TITLE: VICE-PRESIDENT, RATES

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY
EXPECTED GAS COST RATE CALCULATION (EGC)**

"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF SEPTEMBER 1, 2005

			\$
<u>DEMAND (FIXED) COSTS:</u>			
Columbia Gas Transmission Corp.			2,600,533
Tennessee Gas Pipeline			1,355,512
Columbia Gulf Transmission Corp.			925,578
K O Transmission Company			334,075
Gas Marketers			<u>171,281</u>
TOTAL DEMAND COST:			5,386,979
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:		11,073,521	MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,386,979	/	11,073,521 MCF \$0.486 /MCF
 <u>COMMODITY COSTS:</u>			
Gas Marketers			\$8.853 /MCF
Gas Storage			
Columbia Gas Transmission			\$0.000 /MCF
Propane			<u>\$0.000 /MCF</u>
COMMODITY COMPONENT OF EGC RATE:			\$8.853 /MCF
 TOTAL EXPECTED GAS COST:			 <u><u>\$9.339 /MCF</u></u>

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : _____ SEPTEMBER 1, 2005 _____

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION CORP.				
TARIFF RATE EFFECTIVE DATE :	FSS: 2/1/2005			
	SST: 4/1/2005			
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5010	39,656	12	714,284
Seasonal Contract Quantity	0.0288	1,365,276	12	471,839
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	3.9630	39,656	6	942,940
Maximum Daily Quantity	3.9630	19,828	6	471,470
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION CORP. DEMAND CHARGES				2,600,533

INTERSTATE PIPELINE : **TENNESSEE GAS PIPELINE**
TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE

<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Max. Daily Quantity Zone 1-2	4.1000	47,500	6	1,168,500
Max. Daily Quantity Zone 1-2	3.9371	47,500	1	187,012
CAPACITY RELEASE CREDIT				0
TOTAL TENNESSEE GAS PIPELINE DEMAND CHARGES				1,355,512

Columbia Gas Transmission Corporation
FERC Gas Tariff
Second Revised Volume No. 1

Currently Effective Rates
Applicable to Rate Schedule FSS, ISS, and SIT
Rate Per Dth

	Base Tariff Rate	Transportation Cost		Electric Power		Annual Charge	Total Effective Rate	Daily Rate
		Rate Current	Surcharge	Costs Current	Adjustment Surcharge			
Rate Schedule <u>FSS</u>								
Reservation Charge	\$ 1.501	-	-	-	-	-	1.501	0.049
Capacity	¢ 2.88	-	-	-	-	-	2.88	2.88
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Overrun	¢ 10.87	-	-	-	-	-	10.87	10.87
Rate Schedule ISS								
Commodity								
Maximum	¢ 5.92	-	-	-	-	-	5.92	5.92
Minimum	¢ 0.00	-	-	-	-	-	0.00	0.00
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Rate Schedule SIT								
Commodity								
Maximum	¢ 4.11	-	-	-	-	-	4.11	4.11
Minimum	¢ 1.53	-	-	-	-	-	1.53	1.53

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.
2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

Currently Effective Rates
 Applicable to Rate Schedule SST and GTS
 Rate Per Dth

Rate Schedule	Commodity	Reservation Charge 3/	Base Tariff Rate 1/	Transportation Cost Rate Adjustment		Electric Power Costs Adjustment		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
				Current	Surcharge	Current	Surcharge			
Rate Schedule (SST)		\$ 5.405		0.375	-0.011	0.036	0.001	-	5.806	0.191
	Commodity									
	Maximum	¢	1.02	0.23	-0.11	0.27	-0.02	0.19	1.58	1.58
	Minimum	¢	1.02	0.23	-0.11	0.27	-0.02	0.19	1.58	1.58
	Overrun	¢	18.79	1.46	-0.15	0.39	-0.02	0.19	20.66	20.66
Rate Schedule GTS										
	Commodity									
	Maximum	¢	74.24	2.70	-0.18	0.51	-0.01	0.19	77.45	77.45
	Minimum	¢	3.08	0.23	-0.18	0.27	-0.01	0.19	3.58	3.58
	MFCC	¢	71.16	2.47	0.00	0.24	0.00	-	73.87	73.87

DISCOUNTED TO 3.963

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
 3/ Minimum reservation charge is \$0.00.

July 22, 2004

Union Light, Heat & Power Company
139 East Fourth Street, EM025
P.O. Box 960
Cincinnati, OH 45202

Attention: Mr. Jim Henning

RE: Firm Transportation Discount
Tennessee FT-A Service Package No. 46876
Open Season # 443

Dear Jim:

In response to the request of Union Light, Heat & Power Company ("ULH&P"), and pursuant to Section 5.1 of Tennessee Gas Pipeline Company's (Tennessee) FT-A Rate Schedule, Tennessee hereby agrees to adjust its then applicable FT-A Transportation rate for FT-A service provided under the above referenced contract as follows:

1. a) If ULH&P, its assignee(s) or its agent(s) (hereinafter collectively referred to as "ULH&P") violates the terms of this agreement or the terms of the above-referenced service package, Tennessee shall have the right, in its sole discretion, to immediately terminate this discount agreement and/or assess, from the date of the violation, the maximum Tennessee monthly reservation rate for the entire contract quantity and the maximum daily commodity rates on all transactions occurring under this agreement.

b) For the period commencing November 1, 2004, and extending through April 30, 2005, for gas delivered by Tennessee on behalf of ULH&P to TCO North Means (Meter # 020049) under the above referenced service package, the applicable FT-A rates for volumes received by Tennessee from any Zone 1 100 leg or Zone L or 1 500 leg receipt point, will be the lesser of:

i) A monthly reservation rate of \$ 4.10 per Dth and a daily commodity rate of Tennessee's maximum daily commodity rate. These rates are inclusive of surcharges.

or

ii) Tennessee's maximum monthly FT-A reservation and maximum daily commodity rates.

In addition, ULH&P will pay applicable fuel and lost and unaccounted for charges.

c) For the period commencing May 1, 2005, and extending through September 30, 2005, for gas delivered by Tennessee on behalf of ULH&P to TCO North Means (Meter # 020049) under the above referenced service package, the applicable FT-A rates for volumes received by Tennessee from any Zone 1 100 leg or Zone L or 1 500 leg receipt point, will be the lesser of:

i) A monthly reservation rate of \$ 0.0000 per Dth and a daily commodity rate of Tennessee's maximum daily commodity rate. These rates are inclusive of surcharges.

or

ii) Tennessee's maximum monthly FT-A reservation and maximum daily commodity rates.

In addition, ULH&P will pay applicable fuel and lost and unaccounted for charges.

- d) For the period commencing October 1, 2005, and extending through April 30, 2006, for gas delivered by Tennessee on behalf of ULH&P to TCO North Means (Meter # 020049) under the above referenced service package, the applicable FT-A rates for volumes received by Tennessee from any Zone 1 100 leg or Zone L or 1 500 leg receipt point, will be the lesser of:
- i) A monthly reservation rate of \$ 3.9371 per Dth and a daily commodity rate of Tennessee's maximum daily commodity rate. These rates are inclusive of surcharges.
- or
- ii) Tennessee's maximum monthly FT-A reservation and maximum daily commodity rates.

In addition, ULH&P will pay applicable fuel and lost and unaccounted for charges.

- e) Receipts and/or deliveries to points other than those listed above during the term of ULH&P's Service Package shall result in ULH&P being assessed Tennessee's maximum reservation rate for the primary path divided by the number of days in the month for the entire contract TQ on the day(s) of such deliveries and the maximum daily commodity rates under Rate Schedule FT-A as well as the applicable fuel and loss charges and surcharges. In addition, deliveries exclusive of authorized overrun on any one day during the term of ULH&P's Service Package in excess of 47,500 Dth per day shall be subject to Tennessee's maximum daily commodity rate under Rate Schedule FT-A, as well as the applicable fuel and loss charges and surcharges, for those excess volumes.
2. If any terms of this agreement are disallowed by any order, rulemaking, regulation or policy of the Federal Energy Regulatory Commission, Tennessee may immediately terminate this agreement. If any terms of this agreement are in any way modified by order, rulemaking, regulation or policy of the Federal Energy Regulatory Commission, Tennessee and ULH&P may mutually agree to amend this agreement in order to ensure that the original commercial intent of the parties are preserved. In the event that the parties cannot achieve mutual agreement, Tennessee reserves the right to immediately terminate this agreement.

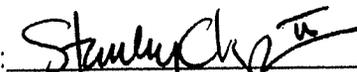
Please acknowledge your acceptance of this proposal by signing both originals and returning to the undersigned. Signed originals must be returned to undersigned on or before **fifteen (15)** working days from the date of the discount letter or discount is nullified and customer will be billed Tennessee's maximum FT-A reservation and commodity rates. One fully executed original will be returned for your records.

Sincerely,

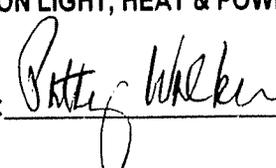

Jill H. Edwards
Marketing Manager

TENNESSEE GAS PIPELINE COMPANY

UNION LIGHT, HEAT & POWER COMPANY

By: 
Stanley G. Chapman, III
Agent and Attorney-in-Fact

Date: 9.14.04

By: 

Date: 9/10/04

*Approved to form
to form
JG. 9/5/04*

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : _____ SEPTEMBER 1, 2005 _____

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.				
TARIFF RATE EFFECTIVE DATE : FTS-1: 4/1/2005				
FTS-2: 4/1/2005				
<u>BILLING DEMAND - TARIFF RATE - FTS-1</u>				
Maximum Daily Quantity	3.1450	22,782	5	358,247
Maximum Daily Quantity	3.1450	17,598	7	387,420
<u>BILLING DEMAND - TARIFF RATE - FTS-2</u>				
Maximum Daily Quantity	0.9995	15,000	5	74,963
Maximum Daily Quantity	0.9995	15,000	7	104,948
CAPACITY RELEASE CREDIT FOR FTS-1				0
CAPACITY RELEASE CREDIT FOR FTS-2				0
TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES				925,578
INTERSTATE PIPELINE : KO TRANSMISSION COMPANY				
TARIFF RATE EFFECTIVE DATE : 4/1/2005				
<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Maximum Daily Quantity	0.3560	78,201	12	334,075
CAPACITY RELEASE CREDIT				0
TOTAL KO TRANSMISSION CO. DEMAND CHARGES				334,075
VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :				
November - March	0.0072	10,003,929		71,831
December - February	0.1933	514,500		99,450
TOTAL GAS MARKETERS FIXED CHARGES				171,281

Currently Effective Rates
Applicable to Rate Schedule FTS-1
Rates per Dth

Base Rate (1) \$	Annual Charge Adjustment (2) \$	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) %
3.1450	-	3.1450	3.1450	0.1034	-
0.0170	0.0019	0.0189	0.0189	0.0189	2.199
0.0170	0.0019	0.0189	0.0189	0.0189	2.199
0.1204	0.0019	0.1223	0.1223	0.1223	2.199

Rate Schedule FTS-1
Rayne, LA To Points North
Reservation Charge 2/
Commodity
Maximum
Minimum
Overrun

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.
2/ The Minimum Rate under Reservation Charge is zero (0).

Currently Effective Rates
 Applicable to Rate Schedule FTS-2
 Rates per Dth

	Base Rate (1) \$	Annual Charge Adjustment (2) \$	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) %
<u>Rate Schedule (FTS-2)</u>						
Offshore Laterals						
Reservation Charge 2/	2.6700	-	2.6700	2.6700	0.0878	-
Commodity						
Maximum	0.0002	0.0019	0.0021	0.0021	0.0021	0.242
Minimum	0.0002	0.0019	0.0021	0.0021	0.0021	0.242
Overrun	0.0880	0.0019	0.0899	0.0899	0.0899	0.242
<u>Onshore Laterals</u>						
Reservation Charge 2/	1.0603	-	1.0603	1.0603	0.0349	-
Commodity						
Maximum	0.0017	0.0019	0.0036	0.0036	0.0036	0.456
Minimum	0.0017	0.0019	0.0036	0.0036	0.0036	0.456
Overrun	0.0366	0.0019	0.0385	0.0385	0.0385	0.456
<u>Offsystem-Onshore</u>						
Reservation Charge 2/	2.5255	-	2.5255	2.5255	0.0830	-
Commodity						
Maximum	0.0070	0.0019	0.0089	0.0089	0.0089	-
Minimum	0.0070	0.0019	0.0089	0.0089	0.0089	-
Overrun	0.0900	0.0019	0.0919	0.0919	0.0919	-

DISCOUNTED TO 0.9995

1/ Pursuant to Section 154.402 of the Commission's Regulations, Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

**CURRENTLY EFFECTIVE RATES
 APPLICABLE TO RATE SCHEDULES FTS AND ITS**

RATE LEVELS - RATE PER DTH

	Base Tariff Rate	Annual Charge Adjustment 1/	Total Effective Rate
RATE SCHEDULE FTS			
Reservation Charge 2/			
Maximum 1	\$0.3560	--	\$0.3560
Maximum 2	\$0.3560	--	\$0.3560
Daily Rate - Maximum 1	\$0.0117	--	\$0.0117
Daily Rate - Maximum 2	\$0.0117	--	\$0.0117
Commodity			
Maximum	\$0.0000	\$0.0019	\$0.0019
Minimum	\$0.0000	\$0.0019	\$0.0019
Overrun	\$0.0117	\$0.0019	\$0.0136
RATE SCHEDULE ITS			
Commodity			
Maximum	\$0.0117	\$0.0019	\$0.0136
Minimum	\$0.0000	\$0.0019	\$0.0019

1/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made.

2/ Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment 0.51%

NOTE: Utilizing GISB standards 5.3.22 and 5.3.23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30.4 days.

8/9/2005

**THE UNION LIGHT, HEAT & POWER COMPANY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 9/1/2005**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 71,831 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 10,003,929 DTH (2)

CALCULATED RATE: \$ 0.0072 PER DTH

- (1) Reservation charges billed by firm suppliers for 2004 - 2005.
- (2) Contracted volumes for the 2004 - 2005 winter season.

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : _____ SEPTEMBER 1, 2005 _____

GAS COMMODITY RATE FOR SEPTEMBER, 2005:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$8.4263	\$/Dth
ULH&P FUEL	2.200%	\$0.1854	\$8.6117	\$/Dth
DTH TO MCF CONVERSION	1.0280	\$0.2411	\$8.8528	\$/Mcf
ESTIMATED WEIGHTING FACTOR	1.0000		\$8.8528	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$8.853	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$6.6321	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$6.6474	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.007%	\$0.1334	\$6.7808	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0139	\$6.7947	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0136	\$6.8083	\$/Dth
ULH&P FUEL	2.200%	\$0.1498	\$6.9581	\$/Dth
DTH TO MCF CONVERSION	1.0280	\$0.1948	\$7.1529	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.000	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.34268	\$/Gallon
GALLON TO MCF CONVERSION	14.84	\$4.7427	\$5.0854	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000		\$0.0000	\$/Mcf
PROPANE COMMODITY RATE			\$0.000	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 8/8/05 and contracted hedging prices.

**GAS COST ADJUSTMENT CLAUSE
THE UNION LIGHT, HEAT AND POWER COMPANY
SUPPLIER REFUND ADJUSTMENT**

DETAILS FOR THE THREE MONTH PERIOD ENDED

MAY 31,

2005

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD MARCH 1, 2005 THROUGH MAY 31, 2005	\$	46,462.23
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		1.0107
REFUNDS INCLUDING INTEREST (\$46,462.23 x 1.0107)	\$	46,959.38
DIVIDED BY 12 MONTH PROJECTED SALES ENDED AUGUST 31, 2006	MCF	11,113,102
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.004)</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED

MAY 31,

2005

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
COLUMBIA GAS TRANSMISSION COMPANY - REFUND DATED FEBRUARY 14, 2005	\$	1,029.34
COLUMBIA GAS TRANSMISSION COMPANY - REFUND DATED MARCH 15, 2005		871.68
TEXAS GAS TRANSMISSION COMPANY - REFUND DATED MARCH 22, 2005		4,600.21
COLUMBIA GAS TRANSMISSION COMPANY - REFUND DATED APRIL 12, 2005		39,961.00
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA RAU	\$	<u>46,462.23</u>

**GAS COST ADJUSTMENT CLAUSE
THE UNION LIGHT, HEAT AND POWER COMPANY
ACTUAL ADJUSTMENT**

DETAILS FOR THE THREE MONTH PERIOD ENDED

MAY 31, 2005

DESCRIPTION	UNIT	MARCH	APRIL	MAY
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	1,627,648	627,205	401,281
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	3,351	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(5,616)	(6,842)	(2,215)
TOTAL SUPPLY VOLUMES	MCF	<u>1,625,383</u>	<u>620,363</u>	<u>399,066</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	12,116,681	5,181,907	3,340,736
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	13,271	0	0
OTHER COSTS (SPECIFY):				
MIRANT MANAGEMENT FEE	\$	(20,483)	(20,483)	(20,483)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	(2,442)	0
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>12,109,469</u>	<u>5,158,982</u>	<u>3,320,253</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	1,770,452.9	981,743.9	558,890.7
NON-JURISDICTIONAL	MCF	0	0	0
OTHER VOLUMES (SPECIFY):	MCF	0	0	0
TOTAL SALES VOLUMES	MCF	<u>1,770,452.9</u>	<u>981,743.9</u>	<u>558,890.7</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.840	5.255	5.941
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>7.312</u>	<u>7.907</u>	<u>8.133</u>
DIFFERENCE	\$/MCF	(0.472)	(2.652)	(2.192)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,770,452.9</u>	<u>981,743.9</u>	<u>558,890.7</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>(835,653.77)</u>	<u>(2,603,584.82)</u>	<u>(1,225,088.41)</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			(4,664,327.00)
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>(4,664,327.00)</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>AUGUST 31, 2006</u>	MCF			11,113,102
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>(0.420)</u>

**GAS COST ADJUSTMENT CLAUSE
THE UNION LIGHT, HEAT AND POWER COMPANY
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2005**

DESCRIPTION	UNIT	AMOUNT
<u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE JUNE 1, 2004	\$	1,667,514.36
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ <u>0.144</u> /MCF APPLIED TO TOTAL SALES OF <u>10,450,746</u> MCF (TWELVE MONTHS ENDED MAY 31, 2005)	\$	<u>1,504,907.36</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>162,607.00</u>
<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE JUNE 1, 2004	\$	0.00
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ <u>0.000</u> /MCF APPLIED TO TOTAL SALES OF <u>10,450,746</u> MCF (TWELVE MONTHS ENDED MAY 31, 2005)	\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>0.00</u>
<u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE JUNE 1, 2004	\$	(475,165.98)
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ <u>(0.041)</u> /MCF APPLIED TO TOTAL SALES OF <u>10,450,746</u> MCF (TWELVE MONTHS ENDED MAY 31, 2005)	\$	<u>(428,480.56)</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>(46,685.42)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>115,921.58</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED AUGUST 31, 2006	MCF	<u>11,113,102</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u>0.010</u>
BAU		

Revised Tariff Schedules

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>
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Supplying and Taking of Service.....	21	05/24/92	02/26/92
Customer's Installation.....	22	05/24/92	02/26/92
Company's Installation.....	23	05/24/92	02/26/92
Metering.....	24	09/10/93	09/10/93
Billing and Payment.....	25	02/02/01	02/02/01
Deposits.....	26	09/10/93	09/10/93
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Gas Space Heating Regulations.....	28	05/24/92	02/26/92
Availability of Gas Service.....	29	05/24/92	02/26/92
<u>FIRM SERVICE TARIFF SCHEDULES</u>			
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Rate GS, General Service.....	31	08/30/05	08/30/05
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Reserved for Future Use.....	33		
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Reserved for Future Use.....	42		
Reserved for Future Use.....	43		
Rate FRAS, Full Requirements Aggregation Service.....	44	03/01/02	01/31/02
Reserved for Future Use.....	45		
Reserved for Future Use.....	46		
Reserved for Future Use.....	47		
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<u>TRANSPORTATION TARIFF SCHEDULE</u>			
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Purchased Service.....	50	03/01/02	01/31/02
Summer Minimum Service.....	50	03/01/02	01/31/02
Unauthorized Delivery.....	50	03/01/02	01/31/02
Rate FT-L, Firm Transportation Service.....	51	04/07/02	04/08/02
FT Bills – No GCRT.....	51	04/07/02	04/08/02
FT Bills – With GCRT.....	51	04/07/02	04/08/02
FT - Interruptible Bills – No GCRT on FT over 1 Year.....	51	04/07/02	04/08/02
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(C)

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<u>TRANSPORTATION TARIFF SCHEDULES (Contd.)</u>				
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Rate AS, Pooling Service for Interruptible Transportation.....	55	03/01/02	01/31/02	
Reserved for Future Use.....	56			
Rate GTS, Gas Trading Service.....	57	03/01/02	01/31/02	
Rate IMBS, Interruptible Monthly Balancing Service.....	58	03/01/02	01/31/02	
Imbalance Trades.....	58	03/01/02	01/31/02	
Cash Out – Sell to Pool.....	58	03/01/02	01/31/02	
Cash Out – Buy from Pool.....	58	03/01/02	01/31/02	
Pipeline Penalty.....	58	03/01/02	01/31/02	
Rate DGS, Distributed Generation Service.....	59	03/01/02	01/31/02	
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Rider DSM, Demand Side Management Cost Recovery Program	61	05/01/96	12/01/95	
Rider DSMR, Demand Side Management Rate.....	62	01/02/03	01/01/03	
Rider AMRP, Accelerated Main Replacement Program Rider.....	63	12/23/02	11/21/02	
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Issued by authority of an Order of the Kentucky Public Service Commission dated

in Case No.

Issued:

Effective: August 30, 2005

Issued by Gregory C. Ficke, President

RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
 All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month: \$8.30
 Plus the applicable charge per month as set forth on Sheet No. 63,
 Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery</u> <u>Rate</u>		<u>Gas Cost</u> <u>Adjustment</u>		<u>Total Rate</u>
Plus a commodity Charge for all CCF at	23.34¢	plus	93.45¢	Equals	116.79¢

(I)

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on:
 Sheet No. 62, Rider DSMR, Demand Side Management Rate.

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed each month.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission, dated _____ in Case No. _____

Issued: _____ Effective: August 30, 2005

Issued by Gregory C. Ficke, President

RATE GS

GENERAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month: \$15.35
Plus the applicable charge per month as set forth on Sheet No. 63,
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	20.49¢	plus	93.45¢	Equals	113.94¢	(I)

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed per month.

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____

Issued:

Issued by Gregory C. Ficke, President

Effective: August 30, 2005

The Union Light, Heat and Power Company
1697 A Monmouth Street
Newport, Kentucky 41071

Ky.P.S.C. Gas No. 5
Sheet No. 31.88
Canceling and Superseding
Sheet No. 31.87
Page 2 of 2

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____

Issued:

Issued by Gregory C. Ficke, President

Effective: August 30, 2005

RIDER GCAT

GAS COST ADJUSTMENT TRANSITION RIDER

APPLICABILITY

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

GCA TRANSITION RIDER

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be 0.06 cents per 100 cubic feet. This rate shall be in effect during the month of September 2005 through November 2005 and shall be updated quarterly, concurrent with the Company's GCA filings.

(R)

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____

Issued:

Effective: August 30, 2005

Issued by Gregory C. Ficke, President

THE UNION LIGHT, HEAT AND POWER COMPANY
SUPPLEMENTAL INFORMATION
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION
OF THE GAS COST RECOVERY RATE
IN EFFECT AS OF AUGUST 30, 2005

3RD QUARTER INT

**THE UNION LIGHT, HEAT AND POWER COMPANY
USED FOR GCA EFFECTIVE SEPTEMBER 1, 2005
COMPUTATION OF THE INTEREST FACTOR
FOR THE GCA CALCULATION ON SCHEDULE II**

**TWELVE MONTHS ENDED JUNE 30, 2005
BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)**

INTEREST RATE	0.0197
PAYMENT	0.084225
ANNUAL TOTAL	1.0107
MONTHLY INTEREST	0.001642
AMOUNT	1

JUNE	2004	1.44	
JULY	2004	1.54	
AUGUST	2004	1.66	
SEPTEMBER	2004	1.84	
OCTOBER	2004	2.05	
NOVEMBER	2004	2.28	
DECEMBER	2004	2.34	
JANUARY	2005	2.60	
FEBRUARY	2005	2.77	
MARCH	2005	2.93	
APRIL	2005	3.07	
MAY	2005	3.15	27.67
JUNE	2005	3.37	29.60

PRIOR ANNUAL TOTAL	27.67
PLUS CURRENT MONTHLY RATE	3.37
LESS YEAR AGO RATE	1.44
NEW ANNUAL TOTAL	29.60
AVERAGE ANNUAL RATE	2.47
LESS 0.5% (ADMINISTRATIVE)	1.97

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH APRIL, 2005

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH APRIL, 2005</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	627,205
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	(6,842)
TOTAL SUPPLY VOLUMES	MCF	<u>620,363</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	5,181,907
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(20,483)
- Losses-Damaged Lines	\$	(2,442)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>5,158,982</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	981,743.9
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>981,743.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.255
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>7.907</u>
DIFFERENCE	\$/MCF	(2.652)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>981,743.9</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(2,603,584.82)</u></u>

**THE UNION LIGHT, HEAT AND POWER COMPANY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF APRIL, 2005**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	5,227,124.64	
adjustments	(45,858.53)	
IT monthly charges entered by Gas Supply	641.09	5,181,907
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
<u>LESS CMT MANAGEMENT FEE</u>	20,483.00	(20,483)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>	2,441.82	(2,442)
<u>LESS: GAS SOLD TO REMARKETERS</u>	0.00	
adjustments	0.00	0
<u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	0
 TOTAL SUPPLY COSTS		5,158,982

ACCOUNTING ENTRY FOR DEFERRAL ONLYAMOUNT

ACCOUNT 191-40	(2,603,584.82)
ACCOUNT 805-10	2,603,584.82

THE UNION LIGHT, HEAT AND POWER COMPANY

APRIL, 2005

	<u>Applied MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	981,743.9	7,762,383.71	7.90672976
RA		(980.42)	
AA		124,783.39	
BA		<u>(34,323.34)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>7,851,863.34</u></u>	
TOTAL SALES VOLUME	981,743.9		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>981,743.9</u></u>		
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	981,743.9	5,158,982.00	5.25491628
UNRECOVERED PURCHASED GAS COST		2,728,368.21	
ROUNDING(ADD/(DEDUCT))		<u>(183.11)</u>	
TOTAL GAS COST IN REVENUE		<u><u>7,887,167.10</u></u>	
TOTAL GAS COST RECOVERY(GCR)		7,851,863.34	
LESS: RA		(980.42)	
BA		<u>(34,323.34)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>0.0</u>	
		<u><u>7,887,167.10</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		2,728,368.21	
LESS: AA		<u>124,783.39</u>	
MONTHLY COST DIFFERENCE		2,603,584.82	
EXTENDED MONTHLY COST DIFFERENCE		<u>2,603,401.71</u>	
ROUNDING		<u><u>(183.11)</u></u>	

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

MAY, 2005

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH MAY, 2005</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	401,281
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(2,215)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>399,066</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	3,340,736
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(20,483)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>3,320,253</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	558,890.7
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u> </u>
TOTAL SALES VOLUME	MCF	<u>558,890.7</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.941
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>8.133</u>
DIFFERENCE	\$/MCF	(2.192)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>558,890.7</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(1,225,088.41)</u></u>

07/27/05

**THE UNION LIGHT, HEAT AND POWER COMPANY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF MAY, 2005**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	3,364,095.18	
adjustments	(12,202.78)	
IT monthly charges entered by Gas Supply	<u>(11,156.83)</u>	3,340,736
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
LESS CMT MANAGEMENT FEE	20,483.00	(20,483)
 LESS: TOP TRANSP. RECOVERIES	0.00	0
LESS: GAS LOSSES - DAMAGED LINES	0.00	0
LESS: GAS SOLD TO REMARKETERS	0.00	
adjustments	<u>0.00</u>	0
LESS: GAS COST CREDIT	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>3,320,253</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLYAMOUNT

ACCOUNT 191-40	(1,225,088.41)
ACCOUNT 805-10	1,225,088.41

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH JUNE, 2005

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH JUNE, 2005</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	236,383
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	(533)
TOTAL SUPPLY VOLUMES	MCF	<u>235,850</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,712,828
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(20,483)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>1,692,345</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	297,851.7
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>297,851.7</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.682
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>7.754</u>
DIFFERENCE	\$/MCF	(2.072)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>297,851.7</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(617,148.72)</u></u>

07/27/05

**THE UNION LIGHT, HEAT AND POWER COMPANY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF JUNE, 2005**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,901,805.28	
adjustments	(197,118.17)	
IT monthly charges entered by Gas Supply	<u>8,141.38</u>	1,712,828
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS CMT MANAGEMENT FEE</u>	20,483.00	(20,483)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 <u>LESS: GAS SOLD TO REMARKETERS</u>	0.00	
adjustments	<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>1,692,345</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLYAMOUNT

ACCOUNT 191-40
ACCOUNT 805-10

(617,148.72)
617,148.72

THE UNION LIGHT, HEAT AND POWER COMPANY

JUNE, 2005

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	297,851.7	2,309,544.04	7.75400657
RA		(772.21)	
AA		7,559.46	
BA		<u>14,275.82</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>2,330,607.11</u></u>	
TOTAL SALES VOLUME	297,851.7		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>297,851.7</u></u>		
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	297,851.7	1,692,345.00	5.68183764
UNRECOVERED PURCHASED GAS COST		624,708.18	
ROUNDING(ADD/(DEDUCT))		<u>50.32</u>	
TOTAL GAS COST IN REVENUE		<u><u>2,317,103.50</u></u>	
TOTAL GAS COST RECOVERY(GCR)		2,330,607.11	
LESS: RA		(772.21)	
BA		<u>14,275.82</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u><u>2,317,103.50</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		624,708.18	
LESS: AA		<u>7,559.46</u>	
MONTHLY COST DIFFERENCE		617,148.72	
EXTENDED MONTHLY COST DIFFERENCE		<u>617,199.04</u>	
ROUNDING		<u><u>50.32</u></u>	